

Course Outline

Accounting and Finance
School of Business & Economics
ACCT 1000 - **3.00** - Academic

Introduction to Financial Accounting

Rationale

Annual update of standard course outlines in SOBE. Prereqs and course description update.

Calendar Description

Students develop a basic understanding of financial accounting, which involves analyzing and recording a variety of financial transactions and preparing and evaluating financial reports. Topics financial statements; accounting events and entries; accounting adjustments; internal control and cash; accounts receivable; merchandising and inventory; long-term assets, liabilities; statement of cash flows; and financial statement analysis.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: NONE

Repeat Types: E - Repeatable to a maximum of 3 credits

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

1. Prepare and describe each of the financial statements.
2. Analyze and journalize financial transactions.
3. Prepare adjusting entries and explain when revenues and expenses are recognized.
4. Prepare bank reconciliations and explain their relevance to internal control.

5. Apply the percentage of sales and aging of receivables methods in accounting for the allowance for doubtful accounts.
6. Compare FIFO, weighted average and specific unit identification inventory methods in preparing inventory records and journalizing inventory transactions.
7. Calculate depreciation and account for the disposal of capital assets.
8. Account for notes and bonds payable.
9. Prepare and analyze a statement of cash flows.
10. Compute, compare and evaluate financial ratios.

Prerequisites

Admission to the Diploma in Horticulture and Management, Tourism programs, Adventure Studies programs

Co-Requisites

Recommended Requisites

Exclusion Requisites

ACCT 2211-Financial Accounting
ACCT 1211-Accounting 1
ACCT 1221-Accounting 2
ACCT 2210-Financial Accounting
ACCT 1030-Intro to Accounting Principles
ACCT 1220-Financial Accounting 2
ACCT 1210-Financial Accounting 1
BBUS 2210-Financial Accounting

BBUS 2211

Texts/Materials

Textbooks

1. **Required** Horngren, C., Harrison, W., Johnston, J., Meissner, C., Norwood, P. *Accounting*, 9th Canadian ed. Pearson Canada, 2014

Student Evaluation

The Course grade is based on the following course evaluations.

Midterm(s) 30-50%

Assignments and quizzes 0-20%

Final exam 40-50%

Students must pass the final exam to pass the course.

Course Topics

1. The Financial Statements

- The uses and users of accounting
- The income statement
- The statement of retained earnings
- The balance sheet
- Basic financial ratios

2. Accounting Events and Entries

- Defining and classifying accounting events – the chart of accounts
- Principles of double-entry bookkeeping
- Advantages of the double-entry system for internal control purposes
- The process of entering accounting events - the journal
- The process of assigning events to individual accounts – the ledger
- The construction of the trial balance from account balances in the ledger

3. Accounting adjustments

- Application of assumptions and principles to ensure that accounting reports comply with accounting standards
- Matching revenues to time periods and expenses to revenues and/or time periods as appropriate
- Making accounting entries to adjust the trial balance

4. Internal controls and cash

- Controls via the accounting system
- Internal and external audits
- Physical controls
- Controls via organization structure and management
- Limitations of controls; resource constraints; conflicts of interests; regulatory capture and economic power
- Preparation and evaluation of the bank reconciliations

5. Accounts Receivable

- Rationale for selling on credit
- Allowance for doubtful debts and bad debts expense accounts Bank-
- related credit instruments; direct debit

6. Merchandising and Inventory

- Perpetual versus periodic inventory systems
- Inventory losses and errors
- Inventory methods matching costs to revenues

7. Long-term Assets

- Cost components of long-term assets
- Depreciation methods
- Disposal of long-term assets

8. Liabilities

- Introduction to bonds
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Notes payable

9. Statement of Cash Flows

- Distinguishing between operating, investing and financing activities
- Preparation of the statement of cash flows
- Analysis of cash flows

10. Financial Statement Analysis

- Vertical analysis
- Horizontal analysis
- Ratio analysis

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair Joanne (Retired) Moores

Current Date: 27-Oct-20